

## **Abstract**

The aim of the thesis is to describe and evaluate the Czech implementation of Anti-Tax Avoidance Directive (ATAD). It firstly introduces the problem of tax avoidance, its scale and defines basic concepts such as tax avoidance, tax evasion, tax havens and harmful preferential tax regimes. The author consequently describes origins of the Directive, OECD's Base Erosion and Profit Shifting Actions and other measures that are being implemented on the EU level such as international exchange of information in the field of taxation based on DAC Directives, the proposal of CCCTB.

In the second chapter the ATAD is presented. It consists of five measures intended to neutralize the effects of tax avoidance practices, or in other words, to prevent erosion of the CIT base and the shifting of profits to jurisdictions enforcing little or no tax liabilities. First measure proposed is the interest limitation rule. It is intended to prevent the use of debt financing as a form of tax avoidance by limiting the amount of the tax-deductible borrowing costs that an entity is allowed to claim. Second measure is the exit taxation rule that requires the Member States to tax unrealised appreciation of assets based on the difference between amount equal to the market value of the transferred asset at the time of exit of the assets and their value for tax purposes. The general anti-abuse rule is designed as a complementary instrument towards the rest of the measures. It provides that arrangements main purpose of which is to obtain a tax advantage shall be regarded as non-genuine in case they are not put in place for valid commercial reasons and as such shall be ignored by the tax authority. Controlled foreign company rules set up conditions under which controlled entities in foreign low-tax jurisdictions are taxed in certain circumstances, which prevent the use of the so-called shell entities that do not perform any genuine economic activity. Rules on hybrid mismatches prevent tax avoidance by laying down rules for the treatment of differing legal qualifications that result in double deductions or deductions without inclusions of corresponding incomes.

The third chapter is dedicated to proposed implementation of ATAD into the Czech legal system. The transposition will be done by the amendments of Czech Income Tax Act and Tax Procedure Code. The implementation is rather minimalistic, aiming not to create an unnecessary burden for the taxpayers nor the tax administration. Generally, the author did not find any major shortcomings in the proposal, that is in accordance with the recommendations of the regulatory impact assessment.